

## **INDEMNIFICATION AND INSURANCE REQUIREMENTS FOR LOS ANGELES COUNTY SERVICE AGREEMENTS**

Include Section I and Section II.(A. - F.) in all County service agreements.

- I. **Indemnification:** Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.
- II. **General Insurance Requirements:** Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.
- A. **Evidence of Insurance:** Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to *Department Contract Administrator Name and Address* prior to commencing services under this Agreement. Such certificates or other evidence shall:
- (1) Specifically identify this Agreement.
  - (2) Clearly evidence all coverages required in this Agreement.
  - (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
  - (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement. identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such

bond shall be executed by a corporate surety licensed to transact business in the State of California.

- (5) identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

**B. Insurer Financial Ratings:** Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

**C. Failure to Maintain Coverage:** Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

**D. Notification of Incidents, Claims or Suits:** Contractor shall report to County:

- (1) any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within 24 hours of occurrence.
- (2) any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
- (3) any injury to a contractor employee which occurs on County property. This report shall be submitted on a County Non-employee Injury Report to the County contract manager.
- (4) any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to

Contractor under the terms of this Agreement.

(5)

- E. Compensation for County Costs:** In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.
- F. Insurance Coverage Requirements for Subcontractors:** Contractor shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:
- (1) Contractor providing evidence of insurance covering the activities of sub-contractors, or
  - (2) Contractor providing evidence submitted by sub-contractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

Include coverages from Section III (A. - F.) and Section IV below, as appropriate. As a general rule, contractors should be required to maintain general liability, auto liability, and workers' compensation coverage. Please refer to the Insurance Manual for Service Agreements for further assistance in identifying necessary insurance coverages and limits.

### **III. Insurance Coverage Requirements:**

- A. General Liability** insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
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|--|-------------|
| General Aggregate:                       | \$2 million |
| Products/Completed Operations Aggregate: | \$1 million |
| Personal and Advertising Injury:         | \$1 million |
| Each Occurrence:                         | \$1 million |
- B. Automobile Liability** insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all owned , hired and non-owned vehicles, or coverage for any auto .
- C. Workers Compensation and Employers Liability** insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor s employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

**D. Professional Liability:** Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

**E. Property Coverage:** Such insurance shall be endorsed naming the County of Los Angeles as loss payee, provide deductibles of no greater than 5% of the property value, and shall include:

Personal Property: Automobiles and Mobile Equipment - Special form ( all risk ) coverage for the actual cash value of County-owned or leased property.

Real Property and All Other Personal Property - Special form ( all-risk ) coverage for the full replacement value of County- owned or leased property.

**F. Crime Coverage:** Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee.

Employee Dishonesty:	\$ <i>determined by dept.</i>
Forgery or Alteration:	\$ <i>determined by dept.</i>
Theft, Disappearance and Destruction:	\$ <i>determined by dept.</i>
Computer Fraud:	\$ <i>determined by dept.</i>
Burglary and Robbery:	\$ <i>determined by dept.</i>

**Performance Security Requirements:** Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

**A. Performance Bond:** A faithful performance bond in an amount equal to 100% of the Agreement award amount and executed by a corporate surety licensed to transact business in the State of California, or,

- B. Certificate of Deposit (CD) or Letter of Credit (LOC):** A CD or an irrevocable LOC payable to the County upon demand in an amount not less than \$ (*determined by department*). Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

Prepared by:  
County of Los Angeles,  
Chief Administrative Office  
Risk Management Operations  
June 12, 2000